

# **State of Michigan School Bond Qualification and Loan Program**

**Senate Bills 770, 771 & 772**

**Michigan Department of Treasury**

**December 6, 2011**

# School Bond Qualification and Loan Program (SBQLP) Overview

**The purpose of the proposed legislation is to assure the continued operation of the School Bond Qualification and Loan Program in a fiscally prudent manner.**

- As authorized by the State's Constitution, the SBQLP provides a State credit enhancement (guarantee) and loan mechanism for school district capital improvement bond issues.
- 429 of 551 school districts have State qualified bonds outstanding, totaling over \$14 billion, which are reported as a contingent liability in the State's Comprehensive Annual Financial Report (SOMCAFR).
- 139 school districts participate in the loan aspect of the program to assist with making debt service payments on their qualified bonds.
- The amount of state loans outstanding from school districts is currently over \$1.2 billion. (See detail in Appendix A)

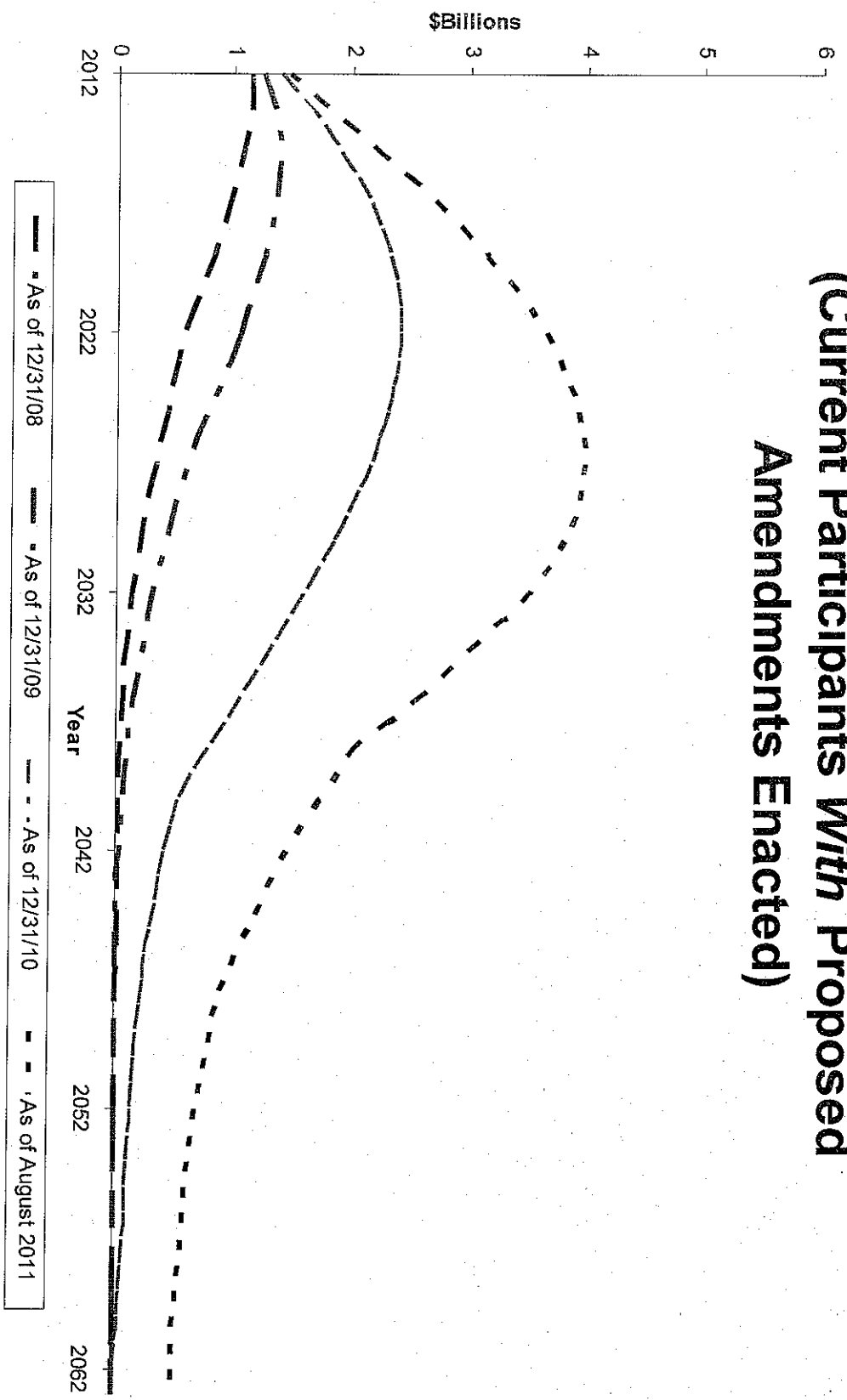
## SBQLP Overview (Cont.)

- Historically State GO bonds were issued to finance the loans, which has a direct impact on the State's credit rating and budget.
  - The School Loan Revolving Fund (SLRF) was created in 2005 to provide a mechanism for issuing revenue bonds and financing loans in lieu of State GO bonds.
  - \$535 million of SLRF bonds are outstanding. However due to declining property tax revenues and uncertainty of future school district repayments, no future bond sales are planned at this time.
- Debt service on GO bonds related to the SBQLP is charged to the School Aid Fund (SAF) and estimated to be \$93.6 million in FY 2012, increasing 87% to approximately \$175 million within six years.

# Current Challenges

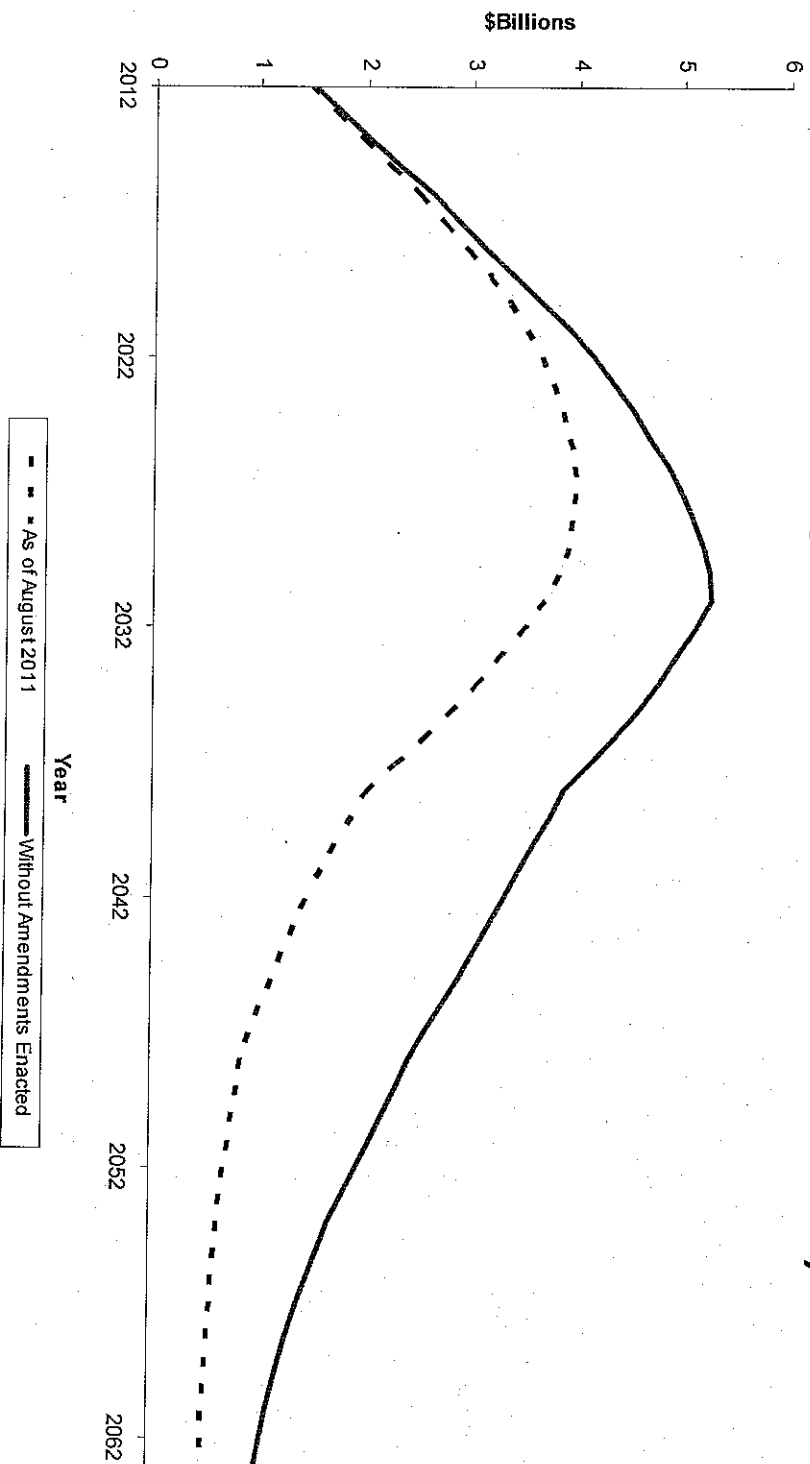
- School districts continue to issue bonds without paying off existing state loans or increasing the millage rate, thereby 'rolling over' their State obligation.
- The SLRF is not operational due to uncertainty of future school district loan repayments and difficulty accessing credit markets.
- Treasury is forced to return to issuing State G.O. debt to finance loans; increasing budget impact to the School Aid Fund.
- The situation is compounded by declining local property tax values, which reduces funds available to school districts for repayment of bonded debt and State loans. (See Appendix B for a sample school district loan projection.)
- Legislation is needed to restore the fiscal viability of the program.

# **Projected School Loan Fund Balances (Current Participants *With* Proposed Amendments Enacted)**



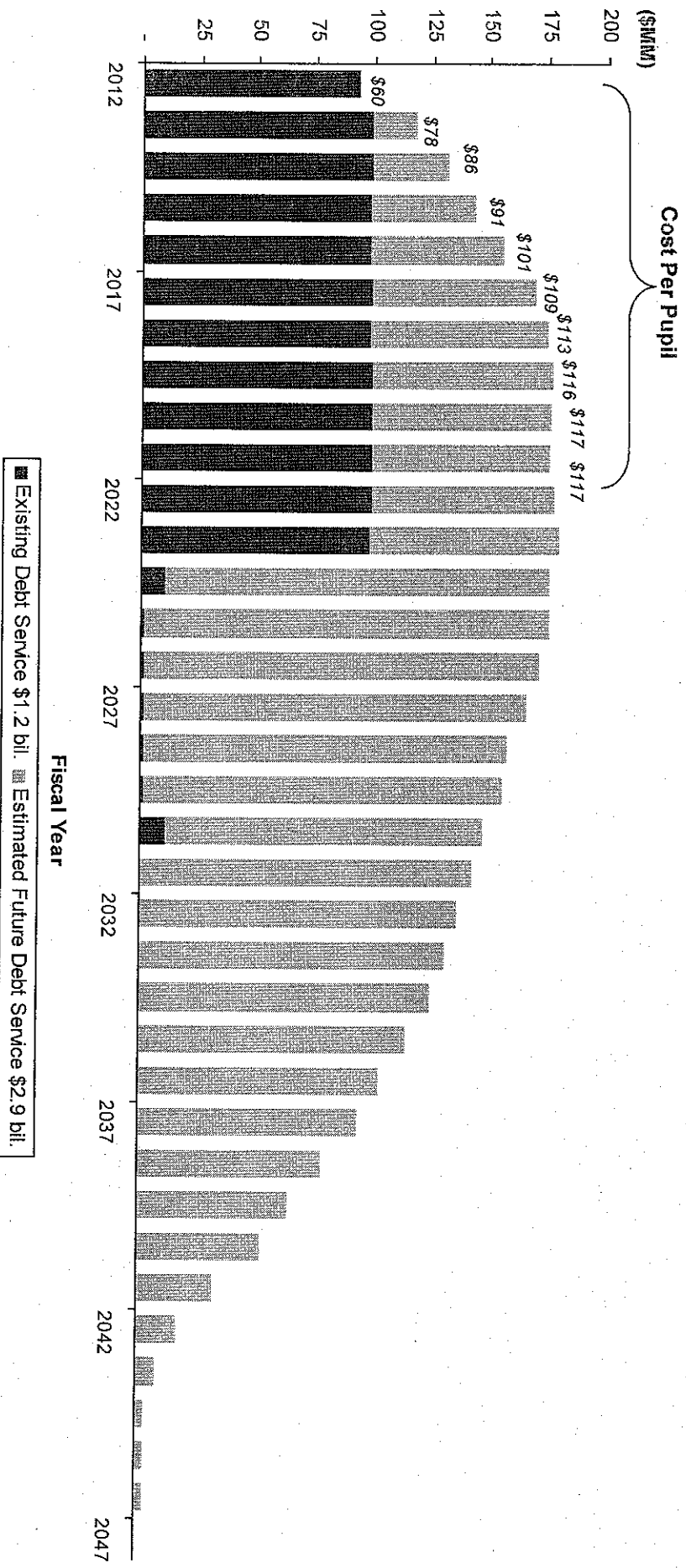
Projected loans based on current participants at 5% loan interest rate, 5-year avg. taxable value growth rates for 1<sup>st</sup> 5 years and 3% thereafter.  
See Appendix C for loan projection detail.

# **Projected School Loan Fund Balances** **(Current and Projected Future Participants** ***Without* Proposed Amendments Enacted)**



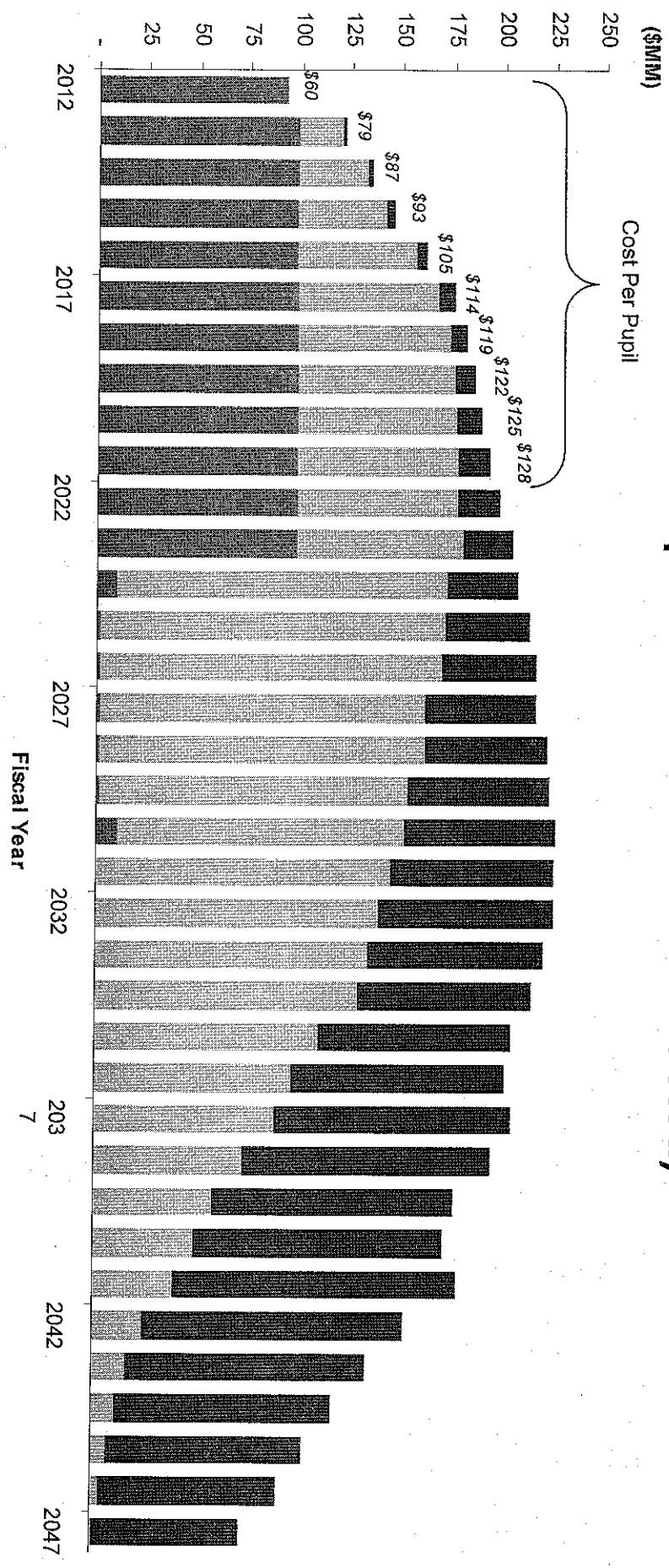
Projected loans as of August 2011 based on current participants at 5% loan interest rate, 5-year avg. taxable growth rates for 1<sup>st</sup> 5 years and 3% thereafter. Projected new loan demand without amendments enacted based on annual needs of \$200M for 5 years, \$150M for next 5 years, then \$100M annually. See Appendix C for loan projection detail.

# **Projected School Bond Loan GO Debt Service** **(Current Participants With Proposed Amendments Enacted)**



Debt service based on estimated future loan needs of current participants funded with GO bonds. Loan needs based on TV growth at the 5-year average rate for the next 5 years and 3% thereafter.  
 Estimated cost per pupil based on Senate Fiscal Agency student count projections and existing and estimated future debt service on GO bonds issued to fund loans for current participants. Assumes debt service will continue to be paid from the School Aid Fund.

# Projected School Bond Loan GO Debt Service (Current and Projected Future Participants *Without* Proposed Amendments Enacted)



Debt service based on estimated future loan needs of both current and projected future borrowers funded with GO bonds. Loan needs based on TV growth at the 5-year average rate for the next 5 years and 3% thereafter.  
Estimated cost per pupil based on Senate Fiscal Agency student count projections and existing and estimated future debt service on GO bonds issued to fund loans for current and projected future participants. Assumes debt service will continue to be paid from the School Aid Fund.

# Reasons for Legislation

- Strengthen fiscal oversight.
- Increase the certainty of school district loan repayments back to the State.
- Restore the viability of the School Loan Revolving Fund (SLRF).
- Enhance program accountability and transparency.
- Adapt to economic conditions and changes in local property tax values.
- Helps to assure continued credit market access and reduced borrowing costs to school districts for capital improvement projects in a fiscally prudent manner.
- Demonstrate the State's commitment to maintain a strong credit rating.

## Bills Introduced

- SB 770-Amendment to PA 92 of 2005
  - Limits the number of new loan borrowers by capping new borrowing once the outstanding balance reaches \$1.5 billion.
  - Prohibits school districts from 'rolling over' loans thereby extending repayment.
  - Requires 'truth in borrowing' regarding costs in ballot language.
  - Enhances school district accountability with respect to bond expenditures.
- SB 771-Amendment to PA 112 of 1961
  - Technical amendment, allows reimbursement for funds previously used to finance loans (once the SLRF is operational).
- SB 772-Amendment to PA 227 of 1985
  - Technical amendment, allows assignment of loans for funds previously used to finance loans (once the SLRF is operational). This amendment is tie-barred to SB 771.
  - Technical amendment, lifts the annual limit on the amount of qualified bonds that can be financed through the Michigan Finance Authority. This allows for more pooled bond issues, which could result in shared cost savings.

# Appendix A

## Outstanding School Bond Loan Balances by County/District

Outstanding SBLF & SLRF Balances by County/District  
Three Years Ending June 30

County	School District	5 Year		Cumulative Years in Fund					2011 Status
		Taxable Value Growth Rate	2009		2010	2011			
Alger County	Superior Central Schools	3.64 %	21	\$1,961,493.82	\$1,786,437.81	\$1,575,546.42	Repaying		
Allegan County	Allegan Public Schools	1.06 %	13	\$6,596,454.21	\$6,573,187.55	\$6,396,853.85	Repaying		
Allegan County	Hopkins Public Schools	1.92 %	15	\$6,893,734.84	\$7,895,531.81	\$9,002,972.22	Borrowing		
Allegan County	Oshtego Public Schools	1.6 %	7	\$3,568,993.65	\$4,978,111.65	\$6,506,907.64	Borrowing		
Allegan County	Plainwell Community Schools	1.23 %	9	\$5,013,082.90	\$6,543,819.58	\$8,050,701.63	Borrowing		
Allegan County	Wayland Union Schools	1.45 %	17	\$12,386,116.75	\$15,188,833.27	\$18,327,885.79	Borrowing		
Arenac County	Standish-Sterling Community Schools	2.85 %	13	\$646,694.19	\$280,680.75	\$0.00	Paid		
Baraga County	Baraga Area Schools	4.34 %	31	\$3,965,507.88	\$3,840,251.11	\$3,490,772.10	Repaying		
Barry County	Thornapple Kellogg School District	1.12 %	15	\$11,538,820.48	\$13,613,991.27	\$15,740,491.47	Borrowing		
Calhoun County	Harper Creek Community Schools	1.95 %	10	\$8,496,754.89	\$10,135,247.42	\$11,904,671.66	Borrowing		
Calhoun County	Homer Community Schools	2.03 %	0	\$0.00	\$0.00	\$0.00	Borrowing		
Calhoun County	Penfield School District	0.08 %	7	\$3,255,066.19	\$3,961,495.69	\$4,773,670.49	Borrowing		
Clinton County	Bath Community Schools	3.11 %	38	\$2,955,646.06	\$2,680,363.68	\$2,519,790.09	Repaying		
Clinton County	DeWitt Public Schools	0.42 %	2	\$4,982,729.51	\$825,211.47	\$2,686,128.42	Borrowing		
Clinton County	Ovid-Elsie Area Schools	2.52 %	9	\$3,692,044.94	\$4,234,767.70	\$4,694,877.23	Borrowing		
Clinton County	Pewamo-Westphalia Community Schools	2.72 %	14	\$3,310,151.26	\$3,458,691.02	\$3,547,174.60	Repaying		
Clinton County	St. Johns Public Schools	1.43 %	15	\$506,945.17	\$0.00	\$0.00	Borrowing		
Delta County	Gladstone Area Schools	4.61 %	14	\$902,924.88	\$353,255.63	\$0.00	Paid		
Delta County	Mid Peninsula School District	3.39 %	3	\$143,747.40	\$347,256.92	\$504,367.80	Borrowing		
Dickinson County	Norway-Vulcan Area Schools	4.55 %	20	\$631,814.62	\$315,542.81	\$0.00	Paid		
Eaton County	Bellevue Community Schools	1.47 %	4	\$601,672.20	\$1,732,468.54	\$2,211,451.95	Borrowing		
Eaton County	Charlotte Public Schools	2.09 %	11	\$6,751,397.71	\$0.00	\$0.00	Borrowing		
Eaton County	Eaton Rapids Public Schools	1.57 %	5	\$697,746.92	\$0.00	\$0.00	Borrowing		
Eaton County	Olivet Community Schools	2.87 %	21	\$6,356,758.41	\$7,366,373.22	\$8,323,704.26	Borrowing		
Eaton County	Pottersville Public Schools	2.42 %	11	\$3,666,437.27	\$3,719,815.12	\$3,692,723.29	Repaying		
Genesee County	Bendle Public Schools	-4.26 %	6	\$685,003.85	\$971,323.69	\$1,333,519.22	Borrowing		
Genesee County	Genesee School District	-2.08 %	23	\$3,788,966.27	\$4,086,495.06	\$4,379,895.55	Borrowing		
Genesee County	Goodrich Area Schools	-2.5 %	14	\$5,364,942.47	\$0.00	\$0.00	Borrowing		
Genesee County	Montrose Community Schools	-0.37 %	13	\$957,927.46	\$773,401.02	\$0.00	Borrowing		
Gratiot County	Alma Public Schools	2.51 %	7	\$1,094,337.98	\$1,152,277.40	\$1,200,742.57	Borrowing		
Gratiot County	Ashley Community Schools	-2.29 %	15	\$487,652.79	\$599,546.90	\$701,412.08	Borrowing		
Hillsdale County	St. Louis Public Schools	2.38 %	17	\$2,682,140.95	\$2,672,151.01	\$2,526,455.59	Repaying		
Houghton County	Jonesville Community Schools	-0.71 %	12	\$244,722.27	\$774,994.18	\$1,087,576.29	Borrowing		
Houghton County	Adams Township School District	4.19 %	17	\$1,929,135.53	\$1,993,266.02	\$2,040,040.28	Borrowing		
Houghton County	Chassell Township School District	4.51 %	21	\$698,303.85	\$546,872.69	\$347,982.37	Repaying		
Houghton County	Dollar Bay-Tamarack City Area Schools	7.6 %	13	\$50,664.65	\$0.00	\$0.00	Paid		
Houghton County	Hancock Public Schools	4.96 %	24	\$4,401,247.11	\$4,710,793.41	\$4,968,427.52	Borrowing		
Houghton County	Houghton-Portage Township Schools	3.82 %	24	\$5,562,091.17	\$6,293,788.77	\$7,093,319.51	Borrowing		
Ingham County	East Lansing School District	0.27 %	10	\$2,763,507.96	\$2,293,650.41	\$2,264,059.39	Repaying		

County	School District	5 Year		Cumulative	2009	2010	2011	2011 Status
		Taxable Value	Growth Rate	Years in Fund				
Ingham County	Haslett Public Schools	0.57 %		44	\$13,607,856.76	\$15,696,145.95	\$17,675,261.97	Borrowing
Ingham County	Holt Public Schools	-0.29 %		20	\$7,352,607.43	\$6,717,464.19	\$6,565,176.54	Repaying
Ingham County	Leslie Public Schools	0.87 %		17	\$4,982,983.80	\$4,629,217.57	\$4,344,209.41	Repaying
Ingham County	Webberville Community Schools	0.51 %		22	\$2,232,780.01	\$2,713,868.19	\$3,284,126.08	Borrowing
Ingham County	Williamston Community Schools	-0.04 %		15	\$14,793,917.26	\$16,374,530.62	\$18,220,699.26	Borrowing
Ionla County	Belding Area School District	1.24 %		1	\$4,240,393.47	\$0.00	\$1,995,733.62	Borrowing
Ionla County	Ionla Public Schools	2.54 %		24	\$12,826,632.07	\$13,866,727.87	\$15,223,964.17	Borrowing
Ionla County	Lakewood Public Schools	2.93 %		1	\$0.00	\$0.00	\$160,899.92	Borrowing
Ionla County	Portland Public School District	1.8 %		10	\$6,476,474.91	\$6,946,652.46	\$7,258,995.93	Borrowing
Ionla County	Saranac Community Schools	1.7 %		22	\$9,382,641.45	\$9,936,867.53	\$10,448,099.73	Borrowing
Isabella County	Beal City Public Schools	2.98 %		15	\$964,510.33	\$969,382.89	\$969,391.84	Repaying
Isabella County	Shepherd Public School District	2.61 %		3	\$0.00	\$271,417.96	\$820,504.03	Borrowing
Jackson County	Grass Lake Community Schools	0.75 %		10	\$2,219,064.49	\$2,614,296.52	\$3,329,747.91	Borrowing
Jackson County	Springport Public Schools	1.6 %		14	\$1,026,638.61	\$1,084,778.10	\$1,058,205.51	Repaying
Jackson County	Western School District	4.94 %		14	\$686,301.94	\$0.00	\$0.00	Paid
Kalamazoo County	Climax-Scotts Community Schools	1.69 %		18	\$1,488,407.02	\$1,440,768.52	\$1,383,916.46	Repaying
Kalamazoo County	Galesburg-Augusta Community Schools	2.49 %		10	\$370,706.69	\$298,894.59	\$224,053.25	Repaying
Kalamazoo County	Parchment School District	1.41 %		4	\$654,061.85	\$1,176,014.11	\$1,659,392.58	Borrowing
Kalamazoo County	Schoolcraft Community Schools	2.25 %		13	\$3,884,024.92	\$0.00	\$0.00	Borrowing
Kalamazoo County	Byron Center Public Schools	2.14 %		16	\$14,374,843.06	\$14,874,191.56	\$15,575,577.99	Borrowing
Kalamazoo County	Caledonia Community Schools	1.68 %		10	\$6,972,210.80	\$8,090,116.69	\$9,687,659.34	Borrowing
Kalamazoo County	Cedar Springs Public Schools	1.32 %		17	\$9,684,082.73	\$10,487,004.30	\$11,410,484.25	Borrowing
Kalamazoo County	Comstock Park Public Schools	1.08 %		20	\$12,982,537.59	\$13,546,279.46	\$14,120,719.79	Borrowing
Kalamazoo County	Godfrey-Lee Public Schools	-1.43 %		14	\$2,387,026.05	\$2,669,969.90	\$3,044,000.01	Borrowing
Kalamazoo County	Kent City Community Schools	1.17 %		13	\$4,607,653.44	\$5,101,154.22	\$5,675,062.02	Borrowing
Kalamazoo County	Lowell Area Schools	1.47 %		2	\$0.00	\$874,150.53	\$1,929,317.71	Borrowing
Kalamazoo County	East Grand Rapids Schools	-2.53 %		11	\$9,391,291.45	\$11,634,088.24	\$13,828,565.31	Borrowing
Kalamazoo County	Rockford Public Schools	2.61 %		16	\$0.00	\$0.00	\$0.00	Borrowing
Kalamazoo County	Almont Community Schools	-2.35 %		25	\$5,851,942.64	\$6,223,229.57	\$6,709,490.87	Borrowing
Kalamazoo County	North Branch Area Schools	-1.25 %		19	\$4,054,441.88	\$5,699,711.38	\$7,383,824.37	Borrowing
Kalamazoo County	Morenci Area Schools	5.50 %		0	\$0.00	\$0.00	\$0.00	Borrowing
Kalamazoo County	Tecumseh Public Schools	-0.88 %		11	\$5,872,138.82	\$6,250,468.41	\$6,932,889.43	Borrowing
Kalamazoo County	Fowlerville Community Schools	0.15 %		31	\$18,258,126.95	\$21,738,561.15	\$24,412,664.91	Borrowing
Kalamazoo County	Hartland Consolidated Schools	-1.78 %		40	\$19,622,227.28	\$24,463,333.37	\$30,333,624.18	Borrowing
Kalamazoo County	Pinckney Community Schools	-1.74 %		13	\$7,465,739.25	\$0.00	\$2,653,249.73	Borrowing
Kalamazoo County	Anchor Bay School District	-3.26 %		15	\$31,320,193.50	\$37,119,426.21	\$44,072,958.19	Borrowing
Kalamazoo County	Armada Area Schools	-0.76 %		15	\$9,615,668.33	\$10,763,409.99	\$12,245,824.35	Borrowing
Kalamazoo County	Chippewa Valley Schools	-2.18 %		45	\$86,466,869.12	\$99,956,466.26	\$120,945,750.62	Borrowing
Kalamazoo County	Clintondale Community Schools	-2.53 %		46	\$24,214,346.92	\$28,257,220.75	\$32,580,570.01	Borrowing
Kalamazoo County	East Detroit Public Schools	-2.53 %		0	\$0.00	\$0.00	\$0.00	Borrowing
Kalamazoo County	Fraser Public Schools	-3.47 %		11	\$0.00	\$0.00	\$0.00	Borrowing
Kalamazoo County	L'Anse Creuse Public Schools	-1.46 %		6	\$9,197,172.22	\$14,114,739.57	\$25,368,412.67	Borrowing
Kalamazoo County	Mt. Clemens Community School District	-1.02 %		9	\$11,826,520.00	\$13,330,949.99	\$15,121,814.02	Borrowing

County	School District	5 Year		Cumulative
		Taxable Value	Years in	
		Growth Rate	Fund	Status
Macomb County	New Haven Community Schools	1.27 %	6	2009
Macomb County	Roseville Community Schools	2.61 %	16	2010
Macomb County	Van Dyke Public Schools	-2.77 %	1	2011
Mecosta County	Morley Stanwood Community Schools	7.13 %	15	2011 Status
Midland County	Bullock Creek School District	4.75 %	10	
Monroe County	Dundee Community Schools	1.7 %	11	
Montcalm County	Central Montcalm Public Schools	2.28 %	12	
Montcalm County	Greenville Public Schools	2.48 %	17	
Montcalm County	Vestaburg Community Schools	2.8 %	2	
Muskegon County	Holtion Public Schools	1.17 %	5	
Muskegon County	Montague Area Public Schools	3.53 %	14	
Muskegon County	Muskegon Heights School District	0 %	13	
Muskegon County	North Muskegon Public Schools	0.27 %	8	
Muskegon County	Oakridge Public Schools	1.19 %	13	
Muskegon County	Orchard View Schools	1.03 %	8	
Muskegon County	Ravenna Public Schools	1.87 %	3	
Muskegon County	Reeths-Puffer Schools	2.23 %	16	
Muskegon County	Whitehall District Schools	5.26 %	8	
Newaygo County	Fremont Public School District	2.5 %	1	
Newaygo County	Grant Public School District	5.25 %	21	
Newaygo County	Hesperia Community Schools	1.65 %	3	
Newaygo County	White Cloud Public Schools	1.9 %	10	
Oakland County	Avondale School District	-4.02 %	13	
Oakland County	Brandon School District	-5.02 %	16	
Oakland County	Clarkston Community School District	-3.69 %	14	
Oakland County	Ferndale Public Schools	-1.49 %	15	
Oakland County	Hazel Park City School District	-4.84 %	9	
Oakland County	Holly Area School District	-4.14 %	1	
Oakland County	Huron Valley Schools	-3.56 %	17	
Oakland County	Lake Orion Community Schools	-5.14 %	11	
Oakland County	Oxford Area Community Schools	-3.29 %	16	
Ottawa County	Allendale Public School District	5.24 %	4	
Ottawa County	Coopersville Public School District	0.82 %	5	
Ottawa County	Hudsonville Public School District	1.82 %	17	
Saginaw County	Carrollton School District	-0.17 %	16	
Saginaw County	Merrill Community Schools	2.98 %	15	
Saginaw County	Swan Valley School District	-0.28 %	14	
Shiawassee County	Laingsburg Community School District	3.24 %	20	
Shiawassee County	Morrice Area Schools	1.25 %	6	
Shiawassee County	New Lothrop Area Public Schools	1.59 %	4	
Shiawassee County	Perry Public School District	0.37 %	20	
St. Clair County	Marysville Public Schools	-0.79 %	4	
St. Joseph County	Mendon Community School District	2.54 %	7	

County	School District	5 Year Taxable Value Growth Rate	Cumulative Years in Fund	2009	2010	2011	2011 Status
St. Joseph County	Sturgis Public Schools	2.22 %	11	\$7,253,448.93	\$7,655,109.41	\$8,025,695.19	Borrowing
Tuscola County	Unionville-Sebewaing Area S.D.	1.02 %	9	\$369,152.02	\$336,462.90	\$325,354.76	Borrowing
Van Buren County	Bloomington Public School District	2.25 %	10	\$3,125,337.64	\$3,953,113.78	\$4,641,363.88	Borrowing
Van Buren County	Decatur Public Schools	2.68 %	10	\$1,366,474.46	\$0.00	\$0.00	Borrowing
Van Buren County	Gables Public School District	1.5 %	9	\$3,816,586.78	\$4,313,093.38	\$4,811,426.88	Borrowing
Van Buren County	Hartford Public School District	3.64 %	16	\$770,625.18	\$350,932.22	\$0.00	Paid
Van Buren County	Lawrence Public School District	2.15 %	13	\$1,845,288.36	\$1,802,431.11	\$1,766,467.64	Repaying
Van Buren County	Lawton Community School District	2.91 %	10	\$4,914,674.67	\$5,502,400.49	\$6,042,531.78	Borrowing
Van Buren County	Paw Paw Public School District	3.31 %	16	\$10,929,091.69	\$11,642,562.42	\$12,484,897.51	Borrowing
Washtenaw County	Chelsea School District	-0.19 %	16	\$362,443.82	\$383,110.84	\$402,922.91	Borrowing
Washtenaw County	Dexter Community School District	0.56 %	13	\$14,945,615.00	\$15,791,999.01	\$17,135,424.06	Borrowing
Washtenaw County	Lincoln Consolidated School District	-2.17 %	1	\$9,504,119.43	\$0.00	\$2,493,441.76	Borrowing
Washtenaw County	Manchester Community Schools	0.09 %	10	\$7,384,437.67	\$8,462,170.62	\$9,465,049.67	Borrowing
Washtenaw County	Millan Area Schools	-1.18 %	12	\$8,411,986.36	\$13,377,565.35	\$17,662,915.26	Borrowing
Washtenaw County	Saline Area Schools	-0.16 %	11	\$23,425,896.11	\$26,004,939.74	\$27,585,989.21	Repaying
Washtenaw County	Whitmore Lake Public Schools	-1.13 %	8	\$7,975,777.36	\$9,767,191.96	\$11,929,413.30	Borrowing
Washtenaw County	Willow Run Community Schools	-2.9 %	27	\$22,528,211.45	\$23,412,488.89	\$24,837,558.73	Borrowing
Washtenaw County	School District of Ypsilanti	-2.06 %	11	\$0.00	\$0.00	\$0.00	Borrowing
Wayne County	Allen Park Public Schools	-3.86 %	8	\$10,225,793.47	\$11,963,149.01	\$13,946,498.91	Borrowing
Wayne County	Detroit City School District	-2.46 %	7	\$10,130,729.20	\$7,048,042.28	\$48,711,002.88	Borrowing
Wayne County	Ecorse Public School District	-0.57 %	14	\$25,598,796.32	\$28,729,297.54	\$31,461,048.29	Borrowing
Wayne County	Flat Rock Community Schools	-0.62 %	16	\$6,859,900.96	\$7,895,612.39	\$9,292,851.80	Borrowing
Wayne County	City of Harper Woods Schools	-7.44 %	6	\$3,341,560.74	\$4,350,903.38	\$5,378,952.24	Borrowing
Wayne County	School District of the City of Inkster	-1.61 %	47	\$27,586,556.79	\$29,136,327.53	\$31,441,311.85	Repaying
Wayne County	River Rouge School District	-1.02 %	18	\$17,602,831.84	\$18,631,866.91	\$19,982,993.41	Borrowing
Wayne County	Romulus Community Schools	-1.60 %	1	\$0.00	\$0.00	\$0.00	Borrowing
Wexford County	Manton Consolidated Schools	1.89 %	10	\$135,425.78	\$47,162.99	\$0.00	Paid
Total Amount				\$951,746,187.43	\$1,023,821,708.16	\$1,229,792,503.81	
Total Number of Districts With Balances				135	124	122	

School districts with a \$0 balance have debt structures that indicate future borrowing.  
Cumulative Years in Fund' includes current and previous loan participation.

# Appendix B

## Sample School District Loan Projections

**Sample School District  
Projected School Bond Loan Activity  
as of 9-30-11**

12/6/2011

- 5-Year Average Taxable Value Growth Rate: 2.18%
- Mills Levied on Qualified Debt: 7.65
- Assumed Interest Rate: 5%
- Mandatory Final Loan Repayment Date: 2040
- Years 1 - 5 assumes 5-Year average TV growth
- Years 6 - end of bond term assumes 3% TV growth

Year	Annual Qualified Debt Service	Projected Taxable Value	Total Borrowed	Total Repayment	Accrued Interest	Outstanding Loan Balance
2012	41,442,214	3,189,671,464	17,041,227	-	6,102,436	145,192,387
2013	41,412,681	3,120,124,066	17,543,731	-	7,289,619	169,995,738
2014	40,192,351	3,052,093,134	16,843,838	-	8,499,786	195,339,363
2015	34,999,496	2,985,545,514	12,160,072	-	9,766,968	217,266,404
2016	33,097,744	2,920,448,894	10,756,309	-	10,863,320	238,886,034
2017	32,302,501	2,856,771,635	10,448,197	-	11,944,301	261,278,534
2018	31,535,254	2,942,474,794	9,025,321	-	13,063,926	283,567,783
2019	30,810,671	3,030,749,028	7,625,440	-	14,168,389	305,161,613
2020	29,974,019	3,121,671,499	6,093,232	-	15,258,080	326,512,925
2021	29,322,229	3,215,321,644	4,725,018	-	16,325,646	347,563,590
2022	26,849,804	3,311,791,293	514,677	-	17,378,179	365,456,447
2023	26,117,237	3,411,134,732	-	977,943	18,272,822	382,751,325
2024	24,220,564	3,513,468,774	-	2,657,472	19,137,566	399,231,420
2025	23,444,680	3,618,872,837	-	4,239,697	19,961,571	414,953,293
2026	22,666,835	3,727,439,022	-	5,948,073	20,747,664	429,862,985
2027	19,357,377	3,839,262,193	-	10,012,978	21,492,644	441,332,550
2028	13,289,412	3,954,440,059	-	16,982,054	22,066,627	446,417,123
2029	12,887,026	4,073,073,260	-	18,271,984	22,320,856	450,486,995
2030	12,493,077	4,195,265,458	-	19,600,703	22,523,299	453,388,591
2031	12,108,841	4,321,123,422	-	20,947,753	22,689,429	455,110,267
2032	11,716,698	4,450,757,125	-	22,331,693	22,765,513	456,534,098
2033	11,319,367	4,584,279,838	-	23,750,383	22,776,704	454,560,408
2034	10,917,114	4,721,808,234	-	25,204,718	22,728,020	452,093,710
2035	3,782,371	4,863,462,481	-	33,423,116	22,604,185	441,264,778
2036	-	5,009,366,355	-	38,321,652	22,063,298	425,006,365
2037	-	5,159,647,346	-	39,471,302	21,250,318	406,786,381
2038	-	5,314,436,766	-	40,655,441	20,339,269	386,469,208
2039	-	5,473,969,866	-	41,875,104	19,323,460	363,917,564
2040	-	5,638,085,965	-	43,131,357	18,195,878	339,982,085
2041	-	5,807,228,544	-	44,425,298	16,949,104	311,505,891
2042	-	5,981,445,401	-	45,758,057	15,576,294	281,323,128
2043	-	6,160,898,763	-	47,130,799	14,086,156	248,258,186
2044	-	6,345,715,428	-	48,544,723	12,412,924	212,126,687
2045	-	6,536,086,888	-	50,001,063	10,606,334	172,731,957
2046	-	6,732,169,465	-	51,501,095	8,636,597	129,867,458
2047	-	6,934,134,580	-	53,046,128	6,493,372	83,314,701
2048	-	7,142,158,617	-	54,637,513	4,165,735	32,842,923
2049	-	7,356,423,376	-	34,486,069	1,642,146	-
	574,239,454			602,407,375		

**Total Interest Paid**

**Appendix B**

**Loans Paid Off**

**Maximum Balance**

**Start Repayment**

**Mandatory Final Loan Repayment Date**

# Appendix C

## Loan Projections – All Current Participants

# Projected Qualified School Loan Fund Balances

Year	Projected Loan Balance as of 12/31/08	Projected Loan Balance as of 12/31/09	Projected Loan Balance as of 12/31/10	Projected Loan Balance as of August 2011	Projected Loan Balance if Fund Is not Capped
2012	1,132,232,321	1,236,714,698	1,389,408,050	1,461,891,963	1,495,060,389
2013	1,140,014,642	1,308,811,798	1,572,049,612	1,713,841,530	1,760,938,625
2014	1,120,775,213	1,363,819,349	1,749,484,731	1,975,651,270	2,037,151,934
2015	1,067,756,426	1,376,101,124	1,902,689,891	2,227,045,411	2,321,139,839
2016	1,011,144,457	1,371,967,107	2,042,435,445	2,483,596,316	2,614,322,257
2017	943,180,432	1,342,905,864	2,157,236,139	2,718,577,567	2,865,251,676
2018	888,501,195	1,302,777,449	2,249,973,199	2,938,316,823	3,123,258,434
2019	817,882,077	1,247,858,988	2,323,675,733	3,143,156,135	3,385,979,114
2020	734,868,302	1,181,812,513	2,376,891,089	3,334,756,272	3,654,115,662
2021	645,403,051	1,112,958,694	2,396,699,595	3,499,563,150	3,919,152,257
2022	568,148,319	1,045,720,307	2,399,108,757	3,644,320,102	4,135,058,994
2023	512,018,592	965,678,317	2,382,192,947	3,754,156,058	4,331,528,871
2024	466,301,067	875,122,294	2,350,728,701	3,838,558,584	4,512,128,173
2025	424,935,627	777,295,740	2,307,105,732	3,911,115,660	4,685,030,996
2026	372,396,256	679,052,082	2,233,793,764	3,958,222,951	4,844,127,000
2027	324,087,663	599,739,509	2,158,597,865	3,967,923,622	4,983,625,824
2028	276,626,277	535,355,629	2,064,742,856	3,940,942,969	5,091,925,255
2029	236,410,867	473,357,662	1,957,865,558	3,898,326,775	5,188,666,516
2030	199,597,256	414,766,411	1,853,062,503	3,805,440,632	5,239,390,808
2031	165,941,093	359,926,965	1,726,901,873	3,684,301,388	5,264,706,726
2032	130,187,072	306,307,324	1,591,727,773	3,495,346,050	5,125,433,592
2033	104,480,044	265,534,384	1,471,927,005	3,274,513,631	4,952,433,769
2034	83,209,678	227,685,809	1,343,897,673	3,053,743,164	4,775,640,563
2035	63,900,806	184,748,335	1,208,402,919	2,820,182,707	4,582,411,031
2036	50,518,782	149,077,669	1,070,774,377	2,569,283,006	4,367,235,826
2037	38,597,972	116,316,996	929,344,042	2,299,553,384	4,126,740,026
2038	28,183,045	91,951,359	791,856,421	2,029,856,323	3,879,051,113
2039	16,877,028	72,925,401	649,959,623	1,880,070,638	3,743,105,058
2040	12,932,751	56,554,839	533,523,667	1,723,530,163	3,591,642,989
2041	12,105,580	41,421,280	469,406,863	1,584,019,586	3,448,064,963
2042	11,192,836	36,000,509	417,613,968	1,451,808,387	3,301,883,875
2043	10,188,914	5,774,388	380,105,608	1,339,823,437	3,166,126,797
2044	9,087,889		341,019,395	1,232,908,784	3,026,664,310
2045	7,883,499		301,576,795	1,132,613,033	2,885,369,491
2046	7,506,709		263,334,564	1,023,520,222	2,725,106,909
2047			237,622,508	931,448,183	2,572,062,982
2048			214,903,351	856,583,521	2,428,397,510
2049			193,958,075	818,755,392	2,314,524,053
2050			173,379,879	776,616,139	2,191,311,232
2051			161,095,311	733,811,752	2,063,111,823
2052			147,567,908	695,465,818	1,936,957,135
2053			132,716,669	657,184,593	1,809,138,275
2054			116,455,980	625,961,059	1,691,360,975
2055			105,310,245	607,073,536	1,589,712,302
2056			93,982,529	589,948,743	1,493,607,261
2057			81,590,629	575,236,750	1,405,060,868
2058			68,066,403	558,462,875	1,321,712,035
2059			53,337,854	539,484,234	1,244,490,527
2060			37,328,920	518,720,119	1,174,591,235
2061			23,162,138	509,414,898	1,119,338,904
2062			9,256,349	502,925,814	1,070,726,775
2063				495,153,480	1,023,630,272
2065				475,381,850	933,436,197

Maximum loan balance shown in highlighted cells.

\*\*\* Current projections indicate that loans will not be fully paid off at 2070.

\*\*\*\* Projections without cap based on \$200M annual loan demand for the first 5 years, \$150M for next 5 years and \$100M thereafter.

TV Growth Assumptions:

Year 1 - 5: 5 yr avg.

After 5 yrs: 3%

Number of Participants  
5 Yr Average TV Growth  
Average Millage Levied  
Loan Interest Rate

142  
5.75%  
7.77  
5.00%

140  
2.49%  
7.76  
5.00%

136  
4.68%  
7.79  
5.00%

139  
0.53%  
7.76  
5.00%

\*\*\*\*  
0.53%  
7.76  
5.00%